

**Memorandum to the File
Case Closure**

**Alleged Conflict of Interest
Dayton VA Medical Center, Ohio
(2012-00449-IQ-0012)**

The VA Office of Inspector General Administrative Investigations Division initiated an investigation into an allegation that (b) (7)(C) engaged in an alleged conflict of interest when a VA contractor, B3 Solutions, LLC (B3), listed his name as key personnel on a contract bid. (b) (7)(C) was a retired VA employee reinstated on March 11, 2011, with a dual compensation waiver. Prior to completing our investigation, he resigned his VA position effective January 3, 2012, to return to his retirement.

Email records reflected that on October 3, 2011, B3 filed a formal protest with the U.S. Government Accountability Office (GAO) protesting a contract awarded to another contractor for VA solicitation VA-248-11-RQ-0374. Protest records reflected that B3 included (b) (7)(C)'s resume as a proposed (b) (7)(C) in their initial proposal and that (b) (7)(C) received "an opinion from the VA that he was permitted to engage in the type of technical advisory services for which he was proposed" without the risk of creating a conflict of interest. Records further reflected that after VA awarded the contract to another contractor, VA downgraded B3 from "Very Relevant" to "Relevant" on a past performance sub-factor, since VA believed that (b) (7)(C)'s participation created a conflict of interest. Records also reflected that B3 claimed that VA violated policy by failing to notify B3 of the perceived conflict of interest. Further, B3 claimed that if VA followed these guidelines, B3 would have received the highest possible past performance rating, resulting in B3 receiving the contract as the best value offeror. Records reflected that B3 asked GAO to sustain B3's protest and that GAO notified VA of the protest on October 3, 2011.

Email records reflected that (b) (7)(C) and (b) (7)(C) responded to GAO on October 12, 2011. Records showed that (b) (7)(C) identified a conflict of interest, which would have required a change in the sub-factor of VA experience to non-relevant; however, this action was not taken since the Source Selection Evaluation Board (SSEB) recommended another contractor for the award. The Source Selection Authority concurred with the SSEB's recommendation, and (b) (7)(C) decided to award the contract to the other contractor. Response records reflected that because B3 was not recommended for the award, there was "no requirement for the Contracting Officer to Allow B3, LLC an opportunity to respond." Records reflected that (b) (7)(C) and (b) (7)(C) ended the response with a recommendation that GAO dismiss the protest. Protest records reflected that GAO's decision was due on January 11, 2012.

Since (b) (7)(C) resigned his VA position and B3 submitted a formal protest through GAO, this case is being closed without issuing a formal report or memorandum.

Prepared By (b) (7)(C) 2/7/12
Date

Approved By (b) (7)(C) 2/6/12
Date